

Hatchard.

A PLAN
FOR
REDEEMING
TWO HUNDRED & THIRTY MILLIONS
OF
THE THREE PER CENT. FUNDS,
AND FOR
IMPROVING THE PUBLIC REVENUE
MORE THAN
THREE MILLIONS THREE HUNDRED
AND
FORTY TWO THOUSAND POUNDS
A YEAR,
WITHOUT RAISING ANY NEW TAXES,
AND
WITHOUT DIMINISHING THE INCOME
OF ANY PERSON.

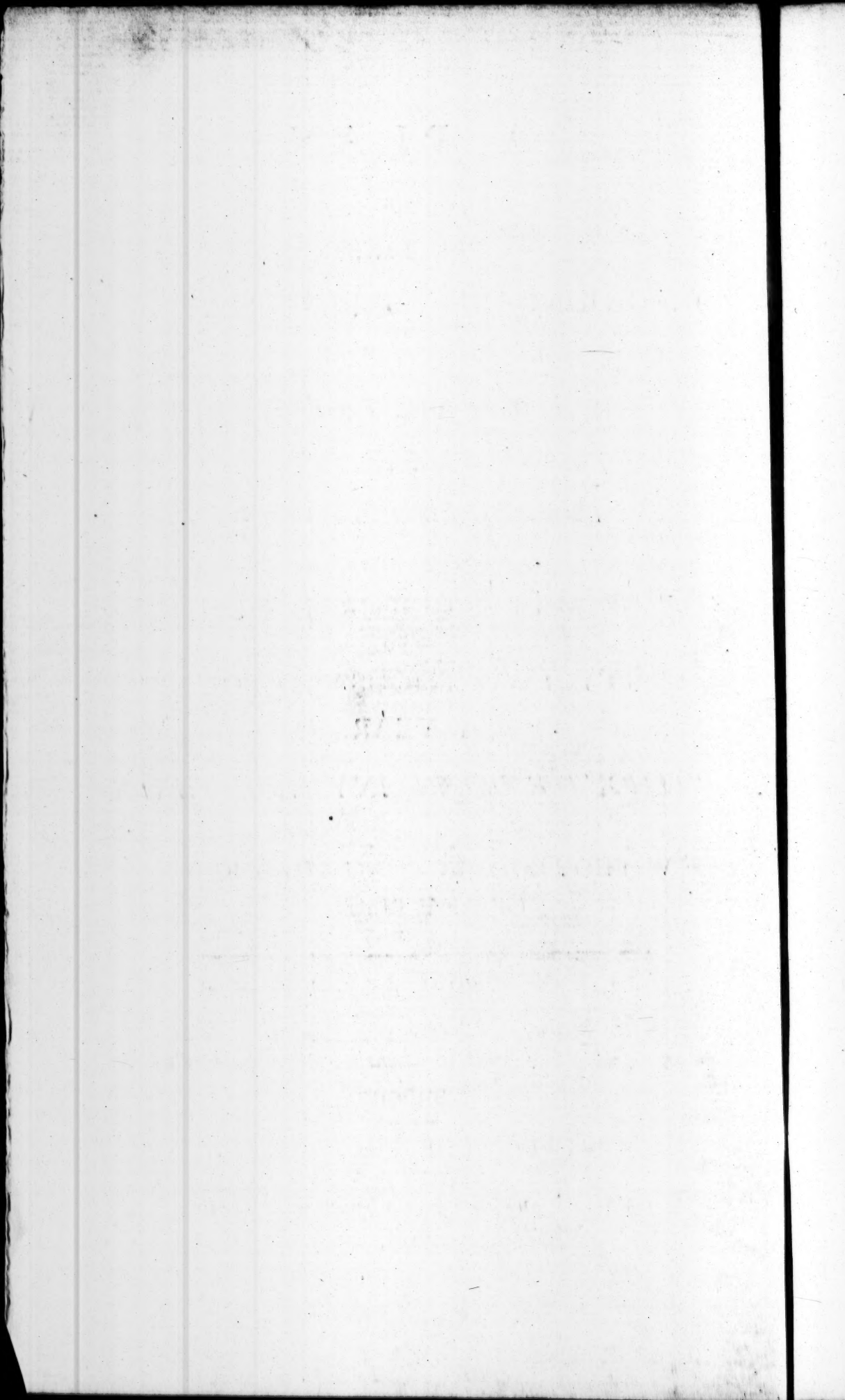
BY S. P.—A COUNTRY GENTLEMAN.

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202



A PLAN,

&c. &c. &c.

AS it is nearly impossible to enumerate all the present subjects of taxation, so it is very difficult to point out a new one that would be tolerably productive. The Minister, indeed, seems to be conscious of this; and therefore depends chiefly upon augmentations of the old taxes for raising the interest of the new supplies. But, though the old subjects of taxation are found to produce a given sum annually, yet, it by no means follows, that they would produce as much more if the taxes on them were doubled, and that an increase of taxes would always produce a proportionate increase of revenue. The additional tax upon wine is an experimental proof of the contrary. In fact, whatever taxes are imposed, their produce must always be regulated by the ability of the persons

required to pay them. If that ability were unlimited, the taxes would then be completely efficient : but since the case is quite otherwise, new taxes may fail to produce more revenue ; and the people, unable to pay them all, will be constrained to do without such articles, as they can best dispense with the want of.

This constraint may deprive them of some of the *comforts*, and even *conveniencies*, of life : but they cannot help it. The man whose income, under such circumstances, will only procure him *necessaries*, must submit to want *comforts* and *conveniencies* ; and, consequently, the tax upon these, so far as he is concerned, will be unproductive. For instance, the man who earns fifty pounds a year, and only needs forty of it for necessities, can afford to spend the remaining ten upon conveniencies and comforts ; and so may contribute to the taxes imposed upon these. But if by additional taxes the same *necessaries* are raised to the price of fifty pounds, he will then have nothing to spare for *conveniencies* and *comforts*, whatever taxes be imposed on them. If this be an extraordinary case, yet there are many that approximate to it ; and the nearer they approach, and the more numerous they are, the less productive will taxes upon *comforts* and

conveniencies be; and all taxes have a direct tendency to increase both the number and the approximation.

In such circumstances, then, when taxes fail to be productive, and further supplies are still needful, what measures must be taken to raise them? —This is an important question, especially when we consider how applicable it is to the present situation of this country.

When a tax is levied upon revenue, the ability to pay it every succeeding year, as well as the first, is not thereby impaired; because the same income will, *ceteris paribus*, still be sufficient for the same expenditure. But when a tax is levied upon capital, it not only lessens the income in a certain degree, but also disables us from continuing to pay the tax; and so naturally tends in a few years to drain up the source of the supply. It is therefore highly expedient, in all schemes of taxation, to preserve the capital as much as possible entire. And upon this plan our Governors have continued to act, as long as they were able, or (which is much the same) as long as taxes upon income were productive. But when they cease to be so, when new taxes upon income fail to increase the sum total of the public revenue, and

yet such an increase is needed, then other measures, more disagreeable, must be resorted to.

With this view, I certainly approve of the sale of the existing land tax; because it is at present a very unequal tax, and the expense of collecting it, which is considerable, will eventually be saved; and the purchase money, vested in stock, will raise its credit, and moreover produce a larger income to the nation. If this tax had been sold at twenty years purchase, the augmentation of income would have been 360 000 £ . a year, supposing the amount of the land tax at four shillings in the pound to be 1 800 000 £ . a year; for though it has been commonly taken at two millions, yet it has generally fallen considerably short of that sum, and we ought not to calculate upon erroneous suppositions.

But as Parliament,* in order to reconcile the landed people to the measure, has agreed to take a quantity of Three per Cent stock, affording an income exceeding the land tax by a tenth part, the pecuniary benefit of this measure to the public will ultimately be 180 000 £ . a year only. It may be more for some years, till all the land tax is redeemed; and may eventually be

* See the Act of 38 Geo. III. ch. 60, sect. 9.

less, if any portions of the land tax shall be sold by auction * at a price lower than that required of persons entitled to preference, and shall not be finally redeemed; or if the Three per cents shall be below the price given by a purchaser of the land tax, at the time when he is called upon to re-convey it; for in this case he will choose to be repaid a sum of money equivalent to the capital stock he transferred, valued at the price of his † first instalment: or lastly, if the amount of the land tax shall be reduced by any abatement made on account of its exceeding four shillings in the pound, according to the act of 38 Geo. III. c. lx. sec. 82. 85, 86. 88, 89. And it is probable, that one or other of these cases will operate in reducing the public benefit of this measure below 180 000/. a year.

Twenty years purchase is equivalent to an income of one and one-fifth from the Three per cents at fifty: but an annuity of one and one-tenth from the Three per cents, at fifty, will amount to a little more than eighteen years purchase. The excess is one in fifty five. By the † Act of Parliament, the proprietor and other

* See the Act of 38 Geo. III. ch. 60, sect. 73.

† See the Act of 38 Geo. III. ch. 60, sect. 94.

† See 38 Geo. III. ch. 60, sect. 9, and 70.

interested persons are allowed to *redeem* the land tax of an estate with Three per-cent stock paying a tenth more; but *disinterested* persons, if *purchasers*, must pay such a quantity of the same stock as will yield one-fifth more. The difference is very nearly two years purchase, and may be regarded as such, where moderate sums are in question; but it amounts to something considerable, when very large sums are concerned.

I much question, whether this abatement has reconciled many people to the measure, who disapproved of it before; but it is certainly calculated to diminish the public gain by * 180 000 *l.* a year, and to lessen the redemption of stock † 6 000 000 *l.* and perhaps will have another ill effect in abating the general value of land. For if Parliament by their example and authority signify, that a perpetual annuity amply secured upon land, and not subject to present or future land tax nor to any dilapidations, is only worth eighteen

* For the land tax, and a fifth more, amount to 2 160 000 *l.* a year; but the land tax and a tenth more amount to only 1 980 000 *l.* a year; the difference between which sums is 180 000 *l.* a year.

† For, if an annuity of 3 *l.* from the Three per Cents, implies a capital of 100 *l.* an annuity of 180 000 *l.* in the same will imply a capital of six millions.

years purchase; how can people expect to sell their lands for a great deal more, 25, or even 30, years purchase? Will any one give seven, ten, or twelve years purchase more for land; which, while it holds out some gratifications and advantages that the annuity does not, has also some disadvantages and hazards (besides less income) which the annuity is not subject to? Wherefore it is probable, that either the price of land will fall considerably, in consequence of this measure, or that the land tax will be eagerly bought up at 18 years purchase, or that both events will happen in some degree.

On the other hand it has been supposed, that the project would raise the price of the public funds, by gradually withdrawing about sixty-six millions of the Three per cents out of the market. The general position may be admitted, that the less stock there is at market, the more likely it is to sell well: but it is questioned, whether the proposed sale of the land tax will effectually take all the stock it sells for, out of the market.

Wherever the proprietor of the land buys in the tax, it is probable, that the price in stock will be entirely withdrawn from the market;

because he will *unite the land tax to the rent, from which it was taken ; and will rather resort to other means for raising money, when he shall need it, than to selling off the land tax for stock again. Indeed, in many cases, the means allowed by the † act for raising money on this occasion, imply a prohibition to sell the land tax bought by such means.

Supposing, therefore, that two-thirds of the present land tax, or 1 200 000 *l.* a year, are redeemed by the proprietors of the land according to the terms of the act, it will sink ‡ 44 000 000 *l.* of the Three per cents : but the

* I cannot help taking occasion in this place to express my regret, that the Act of Parliament did not make the land tax of a freehold estate, when redeemed, freehold ; that it might always attend the freehold from which it issued, and might not be conveyed in terms, that would not affect the freehold. Perhaps it would, in general, have been better to have assimilated the tenure of the redeemed land tax to the tenure of the estate from which it issued, that the same conveyance might have comprehended both without a particular specification of either. The omission of this, I fear, will occasion errors in devises, and much litigation and expense about the meaning of Wills.

† See the Act, sec. 19, 20, &c.

‡ For 1 200 000 *l.* a year and a tenth more, amounting to 1 320 000 *l.* a year, and issuing from the Three per cents, imply a capital of forty-four millions.

remaining third, or 600 000 *l.* a year, being sold at twenty years purchase to casual adventurers, who have no other interest in the estate, upon which the tax is charged; and being subject eventually to the redemption of the proprietor of the estate; this third (I say) will probably be often bought and sold in the mean time, and become a peculiar sort of redeemable annuities. The sale of this portion, therefore, will no farther tend to diminish the capital of the Three per cents, than it does to create in the market another stock of equal amount; and consequently will produce no present benefit to the public in this respect: though after a series of years, and when it shall suit the proprietor of the land to redeem this portion, the redemption will extinguish the newly created annuities without increasing the capital of the Three per cents: and so the sum total taken out of the market will then be 66 000 000 *l.* of the Three per cents, or thereabouts.

Such then being the natural operation and effect of this measure, it appears somewhat extraordinary, that the act to carry it into execution should have met with so much opposition in the House of Commons, particularly from the landed interest. But, if I may hazard an

opinion, the opposition was made, not so much from a notion, that the act was injurious, and not likely to answer the purpose intended, as from an apprehension, that it was a preparatory step towards another land tax according to the present improved rent of landed property. Indeed it is probable, the public necessities would soon require such a measure, if it would effectually answer the purpose : but the preceding observations incline me to apprehend, that it would tend to lessen the amount of other taxes in some considerable proportion to what it produced itself. For as it can hardly be said, that any man, who has a revenue from land, has not the means of obtaining some of the comforts and conveniences of life ; so a new land tax, by diminishing that revenue, will take away some of those comforts and conveniences that depended upon it, and thereby lessen the taxes arising from them. They will not probably be lessened so much as the amount of the new land tax ; but if they are lessened half of it, then its effect in augmenting the public revenue will be only half what it ought.

It may therefore be expedient to look out for some other modes of raising money, whose operation will be more productive, if any such can

be discovered. For this purpose, let us consider the natural consequences of selling the Crown Lands. Without pretending to ascertain how many acres fall under this description, or what revenue the Crown, or rather the Public, derives from them, I may, without hazard of contradiction, take it for granted, that the quantity of land is very large, and the present revenue very small. I think, I have heard the latter stated at so low a sum as 10 000 *l.* a year.

If then the revenue of these lands be so little, is there no method of increasing it without injury to any one? Those at present in the hands of the Crown might certainly be sold as freeholds exempt from tithe to a prodigious benefit: For instance, a forest of 5 000 acres, that yields to Government at present perhaps not 100 *l.* a year, might be sold for 50 000 *l.* which sum vested in the Three per cents at 50, would yield 3 000 *l.* a year, or more; that is, an annual increase of thirty fold.

Those crown lands, which are at present granted away for long terms, cannot perhaps be sold to the best advantage till the expiration of those terms: but, as some of the terms may be expected to expire every year, and all of them

in the course of forty or fifty, the lands may be sold off, as the terms expire, till at last they are all disposed of; when 10 000 *l.* a year will probably be converted into 2 or 300 000 *l.* a year. And if the crown rents, instead of 10 000 *l.* be 100 000 *l.* a year, the increased rental will be two or three millions a year.

Besides the direct benefit of thus making a large addition to the public revenue without any tax, there are others of a collateral and consequential nature, but very important; such as the improvement of the crown land, the maintenance of more people on it, the greater consumption of other taxed articles, the greater supply of articles and labour for manufacturers, and even the support given to public credit by taking so much capital stock out of the market.

The execution of this measure seems to be delayed for no better reason, that I can discover, than that the hands of our Governors are so much occupied with other urgent affairs, that they cannot find leisure to attend to this. For the plea, that the time is not convenient for the sale of lands to advantage, is probably less applicable to these lands, than to any other: and, if the benefit gained by laying the money

out in the purchase of stock, when it is so low, is taken into the account, this advantage will countervail the disadvantage, and the present time will be found as proper as any other. Besides, the scheme requires many years to carry it into complete effect; and therefore its merits cannot wholly be determined by the circumstances of the present time: but the longer its commencement is postponed, the longer shall we be in reaping the advantages of it.

Another expedient, equally beneficial with either of the preceding ones, but more difficult to be executed, comes next to be considered; I mean the abolition of all tithes, the extinction of all mesn tenures, and the conversion of all landed estates into freeholds. My design is to recommend the execution of these measures in a fair, equitable, and amicable manner, by taking no greater liberties with the property of individuals, than are sometimes taken by Acts of Parliament, that authorize the sale of private property for public convenience. For example, with regard to tithes, whether held by laymen or the clergy, if a bill were framed to dispose of them to the landholder for an equivalent portion of the land from which they arise, or for their value in money, the interest of the seller would

be preserved, and one of the greatest impediments to the improvement of land would be removed. For, as tithe of all that the land produces, is said to be due of common right; and the exemptions from paying it are to be considered only as so many exceptions to a general rule; we may infer, that by much the greatest portion of the land of South Britain is subject to this charge. Wherefore, after deducting what may be thought proper for the present rental of houses in South Britain, suppose that of its lands amounts to sixteen millions sterling a year, and that three quarters of this, or twelve millions a year, pay tithe; let us consider, what would be the consequence of removing this demand.

I have heard of an instance of an estate being suffered to lie waste and uncultivated, in order to render the claim of tithes of little or no value: but I need not resort to extreme cases, to shew the baneful effect of this claim upon the agriculture of the country. The ordinary effect of it must needs be discouraging and detrimental: for as the demand rises in proportion to the increased produce of the land, the occupier feels a reluctance in bestowing pains and money to improve it, perhaps more for the benefit of

another, than himself. Nay, it may often happen, that the tithe gatherers will reap all the benefit of the improvement, and the occupier none for all his pains and expense. For example, if 100 acres of ground be let for 50 *l.* a year, and produce a crop worth 100 *l.* the tithe of this will be 10 *l.*: but if the occupier, by expending 200 *l.* upon this farm, can make it yield a crop worth 130 *l.* a year, it would repay him his money with interest in the course of ten years, if he should receive all the additional 30 *l.* a year himself: but if 3 *l.* a year were deducted for tithes, the remaining 27 *l.* would not be an adequate compensation; and so the tenant would not have a sufficient inducement to disburse the 200 *l.* the land would remain unimproved, and the nation lose more than 23 per cent of its produce.

If it be objected, that I have put a singular case in order to suit my particular purpose, and that the ill consequences would not follow, if the tenant had a longer term of twelve or fifteen years, or the landlord himself were supposed to be the occupier, whose term of course would be unlimited: To this I reply, that the case I have put is such a one, as may, and does happen, and is not to be discredited, because it suits

my purpose; and that a longer term might require more than 200 *l.* to be expended to uphold the farm at 130 *l.* a year; and that, if the landlord himself occupied the farm, and disbursed the money for improvements, though he should have a greater probability of being repaid sometime or other, yet the payment of tithe would certainly lessen his profit, and might in some cases counterbalance it. Besides I do not deny, that in many instances the occupier, as well as the tither, will be benefited by improving the land: I only mean to assert, that in some instances it will happen otherwise; and in all, the payment of tithes is a great discouragement to improvement, even where it does not amount to an absolute impediment.

I believe, it will generally be found, where two parcels of land are otherwise in equal circumstances, but the one subject to tithe, and the other exempt from it, that the latter will be in a higher state of cultivation, and produce better crops than the former. The reason is manifest from what has already been advanced; and we may conclude, that if the obstacle were removed, the former parcel would be improved as much as the latter. This being the case, let us endeavour to estimate, how much good

is lost to the community by the existence of tithes; that so it may appear what benefit would result from the abolition of them.

In matters of this nature, it is impossible to arrive at exactness, for want of knowing certainly the present rental of tithed land; but supposing, as before, that it amounts to twelve millions sterling a year, and that the land yielding this is not in so good a condition, as that exempt from tithe, by a quarter of the produce on the whole; it follows, that the abolition of tithe would be the means of raising it from twelve to fifteen millions a year. I am persuaded, I am very moderate in estimating the improvement at one quarter more; but whether it would in fact amount to more or less than this, still the argument retains its force; and therefore I may proceed to calculate upon it.

The natural consequence of such an increase of rental is an ability to bear a proportionate increase of taxes: and if we suppose, that the landlords of this country pay a quarter of their income in taxes, directly and indirectly, we shall find that 750 000 *l.* a year of this increased rental will go into the public treasury, and become an addition to the national revenue.

But if twelve millions a year of landed property pay tithe, let us consider, what proportion of this tithe belongs to the church. All of it (I am told) once did ; but portions of it have been taken away at different times, and particularly by two statutes of Henry the Eighth, and transferred to laymen. How much they were in respect of the whole, I do not pretend to determine, but think it could not exceed a fourth part. We will therefore deduct a fourth, and suppose, that the tithes of nine millions still remain to the church. *

The tithes, being a tenth part of the produce, are much more than a tenth of the rental ; I believe, it will not be unfair to consider them as equivalent to a sixth : but as they are not in general rigorously exacted, we will value them at a seventh part. And as they are paid by the tenant over and above his rent, we must add them to the nine millions, and then take a seventh part of that sum for the value of the tithes. But a seventh part of that sum is equal to

* In this estimate I mean to comprehend the tithes belonging to the Universities of Oxford and Cambridge, and all collegiate and corporate bodies whatsoever ; and use the name of the Church for the sake of brevity, and because it is the principal proprietor.

a sixth part of nine millions, or to 1 500 000 *l.* a year.

Now if the tithes belonging to the church be worth this sum, let us consider, what would be the consequence of securing to the church an annuity of 1 500 000 *l.* in lieu of the tithes, and selling them to the proprietors of the lands. * The clergy, in this case, would probably receive a larger neat income, would be free from the trouble and expense of management, and from manifold disputes and law-suits engendered by the claim and collection of tithes, and would be much more likely to live in good will and friendship with their parishioners; and if their income would not be susceptible of advance, it would also be incapable of diminution, and exempt from land tax, and, according to general practice, from the poor rate too. And though, after a long series of years, the

† “ If it were ordained for a law, that all paying of tithes should from henceforth cease, and that every curate should have assigned to him such certain portion of land, rent, or *annuity*, as should be sufficient for him, and for such ministers, as should be necessary to be under him, according to the number of people there; or that every parishioner or householder should give a certain sum of money to that use, I suppose the law were good.” *Dissert. and Student, Dial. 2 ch. 55.*

annuity from the Treasury might not be equivalent to the value of the tithe, yet the proportion between the two would be very little altered, during the life of any incumbent; which is all that he is concerned about.

And although the clergy, as a body, may look to distant consequences, and apprehend a future disadvantage from the measure, yet this may be more than compensated by the present and permanent advantages already suggested: nor ought they, in wisdom or prudence, to insist upon some petty interests of their own, to defeat a plan that would be so beneficial to the community at large. * Perhaps an incumbent cannot be fairly dispossessed of his tithes in his life time; but Parliament may think proper to

* But see the last note. And anciently, when tithes were apt to be considered as a spiritual property, held by divine right, it appears, that Popes exercised the power of exempting from the payment of tithes, not only the lands of abbies and monasteries, but also those of some lay orders, such as the knights templars, and knights hospitalers; and used to sell *bulls* or grants for this purpose, till at last an act was made to prevent it, in the 2 *Hen. 4 ch. 4*. By which it appears, that even in those days there existed a power of alienating the tithes of the church, when there seemed to be a proper occasion. And the public welfare is surely a more important occasion than the gratification of an order of knights.

enact, that, whenever a vacancy happens, the tithes shall be disposed of in execution of the plan here proposed for promoting the public good. Nor will clergymen be wanting to accept of bishopricks and livings upon the terms now recommended. They will get an equivalent for their tithes, and will still retain their glebe and other lands, as freely and entirely as ever they did.

But what benefit (it may be asked) will redound to the community by this measure?—I answer, that as the payment of tithes is a hindrance to the improvement of land, so the redemption of them must be desirable to every landholder: and of course we may suppose, he will be glad to purchase them when he has an opportunity, preferring them in general to any other freehold. We might therefore estimate them at as high a price as a freehold, if it were not for the following circumstances, which may be pleaded in abatement:

It often happens, that land, which is subject to one sort of tithe, is exempt from another; and consequently the owner may defeat the claim in a considerable degree by the manner of occupation. For instance, if an estate is sub-

ject to corn tithe only, the owner may keep it wholly or principally in grass: and if it pays both corn and hay tithe, but not agistment, he may use it for feeding milk cows, or fattening cattle. On these accounts, it may be proper not only to lay down some general rules for the appretiation of the tithes, but also to appoint commissioners in different [places, all over the kingdom, to value them according to the special circumstances of every case. And they should be directed to be so moderate in their estimate, as to make the purchase eligible to the proprietor of the land, that the general benefits of the plan may not be defeated. For this purpose likewise such a clause, as is introduced into the act for the sale of the land tax, might be adopted in this case, enabling the proprietor to raise money for the purchase by mortgage or sale; only the sale must convey the tithes, as well as the land and appurtenances. By pursuing this method, a fair and reasonable price would probably be obtained; but the rates of purchase by the years rent would be extremely different. However, in order to come at some conclusion, I will value all the clerical tithes, to be thus disposed of, at 24 years purchase, which is two or three years purchase below the ordinary price of freeholds. Where an estate

pays all kinds of tithes, it is the proprietor's interest to give more for them, than for a common freehold; and where it pays certain tithes only, and such as may be in some degree avoided, he will expect to redeem them at a lower rate than the price of a common freehold.

Wherefore valuing the whole amount of the church tithes, reckoned to be 1 500 000 *l.* a year at twenty four years purchase, it will raise a capital of thirty-six millions sterling, which, vested in the Three per cents at fifty, will amount to seventy-two millions of stock, and give an annual revenue of 2 160 000 *l.* Now deduct from this the 1 500 000 *l.* a year paid to the clergy, and there will remain a saving to the public of 660 000 *l.* a year. If you value the tithes at twenty-two years purchase, the public will only gain 480 000 *l.* a year. But this saving or gain is accompanied with other advantages, such as the support of public credit by taking from sixty-six to seventy-six millions of the Three per cents out of the market, and the promotion of agricultural improvement by removing one of the greatest impediments to it, as has been already shewn.

As

As to the tithes held by laymen, they also should be abolished, by requiring the owner to dispose of them to the proprietor of the estate for a fair equivalent in land or money, of which he ought to have the option. And we may suppose, that the lay-owners of tithes will in general readily consent to this measure, because it gives them in exchange a more eligible kind of property; and, if they have other estates subject to tithes, (as will often be the case) it intitles them in return to redeem those tithes, and get rid of an invidious claim, besides the consideration of promoting a plan so conducive to the improvement of land, and the prosperity of the country. But as the disposal of these tithes will not raise any money applicable to the public service, otherwise than by contributing to the improvement of the land, which has been already noticed, I need say nothing farther about them at present.

But we have not yet brought all the lands of this country into that state, which is most favourable to improvement, and most beneficial to the public. Whenever an estate is held by a lease for lives or years, at a small annual rent, and a fine upon renewal, the lessor contributes nothing towards its improvement, and in fact is

not expected to do it ; but, when the lease comes to be renewed, he is very apt to raise the fine according to the improvement of the estate, without regard to the lessee's expense in effecting it. The lessee, therefore, has to encounter, not only the expense of making the improvements, but also to provide for an increase, sometimes an arbitrary increase, of the fine on that account. But, as this double expense, with perhaps the payment of tithes besides, will sometimes appear more than the improvement will counterbalance, he will then forbear to attempt it, and keep the land in its natural unfruitful state. And in fact we find, that estates held by such leases are not in general in so good a condition, as others of a better tenure.

But as the wealth of a nation depends upon the produce of its lands, it behoves us in this country to remove every obstacle to the augmentation of that produce. With this view, I propose that measures should be taken to abolish all such leases for lives, or for years, as are held under the church, and to erect the estates into freeholds. The annual reserved rent, and the septennial or other fine, should be sold to the lessee at a fair valuation, and the price vested in the Three per cents, subject to the payment of an equivalent

to the church. For example, an estate of two hundred acres is held of the church by a lease for 21 years, renewable every seven, at a small annual reserved rent (which we will value at 5*l.*) and such a fine for the renewal of the lease as shall be agreed on. It is the general custom, I believe, to deduct the annual quit rent from the rack rent, and then demand the remainder and a quarter more as a fine for the renewal. Suppose the rent of the 200 acres be 100 guineas, then the quit rent being deducted, the remainder will be 100*l.* and the fine for renewal 125*l.* Divide this fine by seven, and you have 18*l.* nearly for the proportion that falls to each year; and this added to 5*l.* the annual rent, gives 23*l.* a year, the income to be secured to the church in lieu of its receipt from the estate. But the lessee's interest in the estate is something between a term of 14 and 21 years, and, being not subject to any fine for that term, must be considered as 100*l.* a year; and the value of it in the former case, rating money at 5 per cent per annum, will be 1091*l.* and in the latter case, 1536*l.* 10*s.*; the medium of which is 1313*l.* 15*s.* or something more than twelve 1-half years purchase of the gross rental of the estate. But, as he probably purchased the lease at a higher rate, in confidence of having an option to renew it in the customary manner, we

will value his interest at 15 years purchase, and suppose, that the estate, when sold as a freehold clear of quit rents and fines, and clear of tithes also by a former regulation, will bring 27 years purchase. Consequently, the public will be intitled to twelve years purchase, which in this case will amount to 1 260/. Out of this take 250 /. the amount of two fines paid to the church during the course of the lease, and the remaining 1 010 /. laid out in buying Three per cent stock at 50, will produce 60/. 12 shillings a year, out of which it has to pay 23 /. a year to the church, and will gain 37 /. 12 s. 2 a year.

If the lessee should rather choose to let his lease expire without purchasing upon these terms, he will not only lose the benefit of two years and a half purchase, while freeholds sell for 27, but also the opportunity of advancing the rental by improving the land, now no longer subject to tithes and fines. On the other hand, the public will eventually gain by his refusal the two and a half years purchase, which was offered as an inducement to the lessee.

Let us now suppose an estate of 200 acres, held under the church by a lease for three lives,

at an annal reserved rent of 5 *l.* and a fine upon the renewal of a life of a year and a half's neat rent, and that the gross rent is 105 *l.* a year: We will estimate the lessee's term at 30 years for the three lives, so that one life will be renewed every 10 years, upon an average; and the fine, being 150 *l.* when divided into ten parts, will give 15 *l.* for each year, to be added to the reserved rent of 5 *l.* In this case, the church will receive only 20 *l.* a year, or thereabouts, from the estate, and the lessee the remaining 85 *l.* But, if he be not suffered to renew the lease, his income will be 100 *l.* a year for the remainder of his term, which will probably be from 20 to 30 years. In the case of 20 years, the value of it (rating money at five per cent. per annum) will be 1 475 *l.* and, in the case of 30 years, 2 070 *l.* the medium of which is 1 772 *l.* 10 *s.* or almost seventeen years purchase. But since the estate is now to be sold as a freehold clear of tithes, quit rents, and fines, we must value it, as before, at 27 years purchase; and therefore charge the lessee ten years purchase, or 1 050 *l.* for these advantages. But, as two fines of 150 *l.* each would become due during the lapse of the lease, they must be paid out of the 1 050 *l.*; so that the public will only have 750 *l.* to lay out. This will buy so much of the Three per cents at 50, as will give 45 *l.*

a year ; out of which, 20 *l*. a year will be due to the church, and the remaining 25 *l*. a year a gain to the nation.

I know not any certain grounds upon which to calculate, how much property is thus held by lease under the church ; but, as it forms a great part of the revenue of the higher ranks of the clergy, and of colleges, I will suppose it amounts to one million a year, including fines ; and that half of this arises from leases for years, and the other half from leases for lives. But it has been shewn, that every 23 *l*. a year of the former may probably be disposed of so advantageously, as to buy up * 2 020 *l*. in the Three per cents, and yield a clear saving of 37 *l*. 12 *s*. a year to the public, besides paying to the church the full amount of what it was wont to receive from the estate. Consequently 500 000 *l*. a year of such property will buy up § 43 913 043 *l*. of the Three per cents at fifty, and afford the community a neat profit of ‡ 817 391 *l*. a year, besides paying the clergy the full amount of what

* For as 50 *l* : 100 *l* :: 1 010 *l* : 2 020 *l*.

§ For as 23 *l* : 2 020 *l* :: 500 000 *l* : 43 913 043 *l*.

‡ For as 23 *l* : 37 *l* 12 *s* :: 500 000 *l* : 817 391

they used to receive from the estates so appropriated.

If the ecclesiastical revenue from leases of this sort be here taken too high or too low, it is easy to vary the calculation; and still the conclusion will shew that great profit may be derived to the community from the adoption of this measure:—which also will be of considerable national service, by promoting the improvement of land, and increasing the number of freeholders.

As to the other half million arising from leases upon lives, it appears, that every estate of this sort, that yields the church 20 *l.* a year upon an average, may probably be so disposed of, as to enable the community to redeem 1 500 *l.* of the Three per cents, and clear 25 *l.* a year over and above what goes to pay the clergy. Consequently the 500 000 *l.* a year of this sort of property will serve to purchase * 37 500 000 *l.* of such stock at 50 *l.* per cent, and produce to the public a neat profit of † 625 000 *l.* a year without diminishing the revenue of the church;

* For as 20 *l.* : 1 500 *l.* :: 500 000 *l.* : 37 500 000 *l.*

† For as 20 *l.* : 25 *l.* :: 500 000 *l.* : 625 000 *l.*

and with benefit rather than detriment to the estate of the lessees ; which will be raised into an independent freehold, exempt from quit rents and fines.

In the plan for converting these estates into freeholds, I have said nothing about the mines, and therefore leave them in the hands of the church, as before ; though it were to be wished, that some method could be devised for conveying them also to the proprietors of the land.

Timber trees, growing upon such lands, will be intitled to a separate valuation ; and certainly ought not to be conveyed to the ancient lessee now become proprietor of the land, without a consideration. The late incumbent, or owner of the land, seems best intitled to the price of those trees, that are now fit for felling. At the same time, it is right to observe, that the present mode of occupying such lands is very prejudicial to the growth of timber. The lessee will not plant nor encourage the growth of trees, because he has no interest in it ; and the lessor, having no interest in those planted in his life time, will be as indifferent, as the lessee ; and so neither the one nor the other will have a sufficient inducement to plant them. But

these obstacles will be completely done away by the plan here proposed of erecting such estates into freeholds. The owner will then find his account in planting and rearing trees; which he will be sure to receive the benefit of, either in his own person, or in devising them to whom he shall think proper. And while he is thus pursuing his own private interest by promoting the growth of timber, the nation is eventually benefited by a larger supply of so valuable and important an article.

I have hitherto only considered the advantages, especially the financial ones, resulting from the sale of the land tax, and the crown-lands, the tithes, and from the conversion of leases for lives and years into a perpetuity. There still remains another species of property, viz. copy-hold, which ought also to be converted into freehold, though the public will gain little profit by so doing. Yet, as the interests of the community seem to require it, it might be of service to make an act of Parliament, enabling all lords of copy-holds to convey the fee simple of the estates to their copyholders upon such terms, as they shall agree upon, with this proviso, that the lords shall pay two years purchase of the estate to the public for a licence.

If the lord of a copyhold have only the estate for his life, he should be required, after paying the two years' purchase to government, to vest the remaining money, arising from the sale of the privilege, in the public funds, and have the disposal of the income only. By this process the community would probably gain two millions sterling, besides the advantage of having four millions more of the Three per cents taken out of the market. The revenue, thereby obtained to the public, would be 120 000 *l.* a year.

Thus have I proposed several different schemes for the support of public credit, either by buying up considerable quantities of the funds, and so taking them out of the market; or by furnishing an actual permanent revenue, applicable to the public use, without increase of taxes. The first of these schemes, having been already adopted by parliament, I had only to estimate what would be its probable effect: but as to the others, I have both suggested the plans, and calculated, what appeared likely to result from the execution of them. And now it may not be amiss to take a general review of the whole.

I. It is reckoned, that the sale of the present land tax, when accomplished, will take 66 000 000 *l.* of the Three per cents out of the

market, and will increase the public revenue 180 000 *l.* a year.

II. By the sale of the crown lands, as the grants happen to expire, I reckon that at least a capital of * 6 666 666 *l.* in the Three per cents will be redeemed, and that the national revenue will be augmented by at least 190 000 *l.* a year.

III. By the abolition of tithes, and the consequent improvement of land, the public will indirectly get 750 000 *l.* a year.

IV. By selling the tithes of the church, and vesting the money in the Three per cents, seventy two millions of this stock will be taken out of the market, and the public will gain 660 000 *l.*

* This calculation goes upon the supposition, that the sale of the crown lands (which according to the principle laid down ought to have raised five millions) will only raise a sum one third less, or 3 333 333 *l.* and that this sum is laid out in the Three per cents at 50, producing an income of 200 000 *l.* a year, from which is to be deducted the original rent of 10 000 *l.* a year. But if the sale of the crown lands should raise the full sum of five millions, it will redeem ten millions of stock, and clear 290 000 *l.* a year for the public. And if the original rent of the crown lands should be more than I have supposed, the public advantage will be more in proportion.

a year, after paying the clergy an annuity fully equivalent to what they used to receive from the tithes.

V. By the conversion of estates held by leases under the church for 21 years into freeholds, and vesting the money thereby raised in the Three per cents, I estimate that 43 913 043 £ . will be thereby redeemed, and that Government will moreover receive an annual profit of 817 391 £ . a year, after paying the clergy the full amount of what they were wont to receive from the estates.

VI. By the conversion of estates held by leases for lives under the church into freeholds, and placing the money thereby raised in the Three per cents at 50, I reckon that 37 500 000 £ . of such stock will be taken out of the market, and that the nation will clear 625 000 £ . a year by the measure, after paying the clergy as much as they used to receive before.

VII. By the conversion of copyholds into freeholds it appears, that both the lessor and the lessee might be benefited, and that four millions of the Three per cents might be redeemed, producing to the public a revenue of 120 000 £ . a year.

Upon the whole therefore, these different plans of finance are calculated to take 230 079 709 *l.* of the Three per cents out of the market, and to advance the public revenue 3 342 391 *l.* a year, without imposing one additional tax upon the community, or diminishing the income of any individual. And it is a farther recommendation of them, that they have no tendency to corrupt the morals of the people. They require no distressing oaths to be taken, hold out no advantages to dissimulation and falsehood; and do not place the knave and the unprincipled upon a better footing, than the honest man, *that feareth an oath*. Whereas, there is much reason to apprehend, that these charges are applicable to a heavy tax, lately enacted, which one of our senators described, as offering a premium to falsehood and a bounty upon perjury. But the plan that is now proposed in the newspapers, of raising the supplies for next year by a tax of ten per cent upon all income, is still more likely to promote falsehood and perjury, and destroy that reverence for truth, upon which the welfare of society so much depends. But the baneful influence of such a tax upon the commerce of the country, the difficulty, perhaps insurmountable difficulty, of carrying it into execu-

tion, and after all its inefficacy to answer the purpose, as well as the moral profligacy it is likely to introduce, will, I trust, when duly considered, prevent its being established by law. And what need can there be for so exceptionable a measure, when the schemes I have proposed, are free from all these objections, and calculated to raise a much larger sum?

If, in some instances, they should appear to bear hard upon one or two classes of the community; these classes, considering the magnitude of the national advantage, would exhibit more public spirit in complying with the measures, than complaining of petty incroachments. To shew them, that no unnecessary abridgment of profits or privileges is intended, I would propose, that all the holders of stock, thus purchased, should be allowed the privileges of freeholders according to their income.

Should any persons think, that my calculations are founded upon the assumption of larger sums, than facts will warrant, I admit the possibility of it, and call upon them for proof; being willing to correct my opinion, whenever it shall be shewn to be erroneous; and being convinced, that, after all reasonable abatements

shall be made (if any shall appear reasonable) there will still remain a large capital to redeem stock, and a large annual revenue applicable to the public service. And it should always be remembered, that these sums, whatever they amount to, are raised entirely without any new loans or taxes, and with a direct tendency to improve and increase, rather than impair and diminish the resources of the country. All the plans, except the first, are such, as it would be proper to adopt even in times of peace and prosperity; but they are all more eligible at present, in order to supersede the necessity of oppressive taxes: and their effect will be greater in redeeming stock at a low price, than a high one. Besides the advantages they are calculated to produce, they have this peculiarity, that they relate to subjects, which, like gold in the mine, remain unprofitable to all persons, till they are brought forward for the public use: which is a farther argument for carrying them into immediate execution.

They are indeed progressive in their operation, and will require several years to produce their full effect: but this perhaps will be found no objection to, but rather a recommendation of the plans. For an attempt to raise so much

money, as would redeem 230 millions of the Three per cents within a year or two, would produce much confusion and distress, and perhaps insurmountable difficulties: but if this sum be raised progressively in twenty years, the operation will be moderate and practicable, levying only what will redeem between eleven and twelve millions in each year, and allowing the necessary money to perform many circulations in the mean time. And if the first years of the period should produce more than their proportion of this sum, as is probable; it will happen very conveniently for the exigencies of the country, which, during a state of long-protracted and unavoidable warfare, must needs have occasion for very large supplies. And perhaps no scheme of finance is better calculated, than this, to astonish our enemies with the amplitude of our resources, and to demonstrate the futility of their attempts to exhaust them by continuing the war.

THE END.

Page 1

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Page

331054

ERRATA.

Page 15 line 2 read *tithe gatherer*

— 23 — 22 for *seventy-fix* read *seventy-two*

— 27 — 17, 18 read *two years purchase and a
half*

... 32 — 14 read *and the tithes.*

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